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MEMORANDUM FOR: Director of Central Intelligence

FROM: The Advisory Commission on Multidisciplinary  
Counterintelligence Analysis

1. We have submitted to you a memorandum, ultimately destined for the Senate Oversight Committee, which includes several recommendations for restructuring the Intelligence Community both to improve its multidisciplinary analytical effort and to focus attention on strategic deception. In formulating these recommendations the Commission made certain assumptions which are critical to the successful implementation of its recommendations. In addition during the course of its work, the Commission came across a number of issues related directly or indirectly to counterintelligence, which warrant your attention, in our view. We would like to share all this with you in subsequent paragraphs.

The NIO for Hostile Threat & Deception Analysis

2. The success of the new structure the Commission is proposing depends heavily on the quality of the personnel assigned to it, beginning with its leader, the NIO for Hostile Threat & Deception Analysis. The Commission believes that first and foremost this officer must be an individual who has an established reputation in the Community as a superior analyst. In addition, because this NIO will be interfacing constantly with the counterintelligence community and delving into areas

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of concern to it, he should have counterintelligence experience. The counterintelligence community does not respond well to outsiders treading on its grounds. This NIO must also be able to promote harmonious working relations with all components of the Community and project the image of a Community-oriented, as distinguished from a departmental officer. Finally, the Commission believes that the NIO should be an officer at the SIS-4 or 5 level.

#### Structural Changes

3. With the creation of an NIO for Hostile Threat and Deception Analysis supported by a full-time staff certain changes in the existing structure of the Community are advisable. Our suggestions follow:

- a. Hostile Intelligence Threat Analysis Committee: There is no need for such a committee. In its stead, we would recommend the establishment of a Counterintelligence Operations Committee chaired by the Assistant Director for Intelligence, FBI, with membership limited to those entities in the Community dealing with CI operations, namely; the FBI, the CI Staff of the DO, OSI, NIS, Army Intel and the DoD. This new CI Operations Committee would be a collegial forum for the exchange of CI experience, the discussion of mutual problems, the identification of inadequacies in and potentialities for improving support required from

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non-intelligence agencies, ensuring awareness and an appropriate exchange of information concerning technological developments of interest to the CI community and the active promotion of R&D programs in this field. It would have no control over operations and no directive or supervisory powers.

b. The Counterintelligence Staff of the IC

The Commission's formal recommendation to create an NIO for Hostile Threat and Deception Analysis assigns to that official and his staff the responsibility for preparing an annual hostile intelligence threat assessment. Since 1978 such annual reports have been assembled by the CI Staff of the CI from separate contributions by individual agencies. The Commission believes the annual report should be an integrated product stemming directly from the analytical work performed by the drafters. By deleting the preparation of this annual report from the charter of the IC Staff there no longer appears to be reason for its Counterintelligence Staff to maintain its present size and composition. Finally, with respect to the annual counter-measures status report also assembled by the present CI Staff, the Commission believes this responsibility should be assigned to the IG/CM. To keep that responsibility within the Intelligence Community structure involves the DCI unnecessarily

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in judgments of the efficacy of countermeasures in industry and in the myriad of field activities of hundreds of agencies outside the Intelligence Community. The Commission sees the Community CI Staff performing essentially secretariat support tasks for the IG/CI, IG/CM and the Counterintelligence Operations Committee and providing advice to other elements of the IC Staff concerned with counterintelligence resource issues.

#### The Polygraph

4. The polygraph is both a countermeasures and a counterespionage tool. Up to now the polygraph has led a turbulent and controversial life. The Intelligence Community should have seized the issue years ago, reached an agreement on the utility of the polygraph and orchestrated a strategy to get its use accepted by all its own elements. We believe the time has come, if not overdue, for the DCI to take the initiative to pull together the entire Community on this issue. Concurrently with that initiative, the Commission believes the DCI should also encourage and finance the exploration of additional psychological testing mechanisms which can be used to supplement the testing accomplished through the use of the polygraph. This is particularly relevant to counterespionage cases when analysis or human sources fail to resolve the question of "bona fides."

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Counterespionage and Modern Technology

5. Advances in technology over the past 25 years have literally revolutionized the collection capability of the Community. To the Commission's knowledge the operational sector of the Community has not put the same emphasis on exploring whether modern technology can assist it in improving the various facets of its work ranging from undetectable surveillance to ferreting out spies. The Commission recommends the DCI charge the appropriate elements within the Intelligence Community to explore with selected research organizations the relevance and applicability of modern technology to the improvement of operational methodology and techniques.

Dissemination of Intelligence and Counterintelligence Information

6. As you will have noted, the Commission concluded that the flow of intelligence and counterintelligence information from collectors to producers, including sensitive-source human and communications intelligence, is operating on the whole quite well. In spite of this, some analysts continue to complain that key intelligence is being withheld from them. The Commission believes it is important to put an end to this perception. This appears to be primarily a CIA problem and should be resolved within the Agency.

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Congressional Relations

7. In the course of our work we met with staff members of both the Senate and House Oversight Committees. We were impressed by what seemed a very serious lack of communication between the Senate Committee and the Intelligence Community on the general subject of counterintelligence and deception. Criticism by individual Senators and members of the Committee staff of what they perceive as counterintelligence problems are, to a very considerable extent, based on misunderstandings, semantical difficulties, inadequate briefings and lack of sufficient pre-hearing staff work by the Community. Frequently the officials designated to appear at SSCI hearings are not the ones who have the in-depth knowledge necessary to respond to Committee concerns. Senate staff members were apparently unaware until very recently of work which had been long underway in the DI by  which was responsive to questions with which the Senate Committee purported to be concerned.

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The solution of this situation, however, is not simple. The Senate staff is anything but a monolithic entity. No two staffers seem to agree on anything or know or care very much what the other is doing or believes. The staff director appears to have relatively little control over the staff. A remedy must, nevertheless, be found.

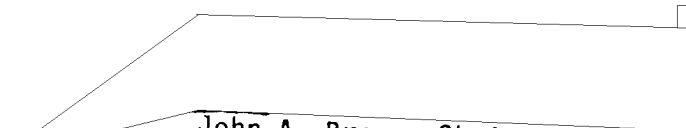
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The situation in the House Committee staff contrasts very favorably with the Senate staff. The staff director, Tom Latimer, seems to take a very sensible and understanding view of the U.S. counterintelligence program. He also seems to have the Committee staff under firm control, at least on this issue.

#### Community Acceptance of the Commission's Recommendations


8. The Commission's recommendations for structural changes are ahead of where the Intelligence Community now is. Were the Community to be left to its own devices, the Commission is convinced that eventually but only under pressure from external forces would it have come to the changes we are now recommending. Should the DCI accept our recommendations, the Commission sees merit in his offering to have the Commission brief individual key members of the intelligence Community before the structural changes are implemented. We also see merit in the DCI's making the same offer to the Senate and House Oversight Committees and their staffs.



John A. Bross, Chairman



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